Xhariep District Municipality
Draft budget 2018/2019
MBRR – supporting information

Budget Assumptions

The budget was prepared on the basis that the municipality is not generating any fund but relay on the government grants and assistances. Each department had to prepared there budget and ensure that they are all funded budget. Also none cash items had to be fully budgeted for the coming financial year.

Overview of Budget Funding including funding compliance (Table SA10)

Xhariep District Municipal does not generate any revenue from Property rates, Electricity and other service charges therefore we are only relay on equitable share and financial Assistance grant from provincial CoGTA and Provincial Treasury. Due to the population size of the district the municipality has limited funding and as a result we can only fund a very limited project from our allocation. The Grant allocation to the municipality has increased by 14.9% during the coming financial year most is was the higher increased in the equitable share which will be received the increase will decrease to 6.5% (2019/2020) and 3%(2020/2021) .

Expenditure on grant allocations and grant programmes

The operating expenditure has increased by 11.3% during the coming year and by 6.5%(2019/2020) and 3% (2020/2021) . the lower increase in the 2018/2019 is due to the fact that we do not have a deficit during the coming financial year as compared to the prior financial . The salaries of the municipality makes up a greater portion of the of the expenditure of the municipality. During the coming financial year the municipality has budgeted for the non-cash items like depreciation and impairment of debts which they could not budget for in the prior financial year.

Allocations on grants made by the municipality

The budget allocation for the district is highlighted below for the three coming financial years

DEPARTMENTS / BUDGET ITEMS	Total budget 2018/19	Total budget 2019/20	Total budget 2020/21
Revenue			
Equitable Share	40,544,000	43,116,000	45,257,000
Finance Management Grant	1,320,000	1,785,000	1,510,000
Expanded Public Works Programme Incentive Grant	1,029,000	1,029,000	1,029,000
Financial Assistance Grant	19,000,000	20,000,000	20,000,000
Rural Roads and Asset Management Grant	2,149,000	2,277,000	2,408,000

Rental Income- Kopanong	506,543	557,197	612,917
Total revenue	**64,548,543**	**68,764,197**	**70,816,917**

Councillor and board member allowances and employee benefits

The budgeted allocation for the remuneration of councilors has been budgeted at R4 316 949 and the salaries for the four directors amounted to R5,070,22

Monthly targets for revenue, expenditure and cash flow

Xhariep District Municipality

MONTHLY CASH FLOWS	**Budget Year 2018/19**											
R thousand	**July**	**August**	**Sept.**	**October**	**November**	**December**	**January**	**February**	**March**	**April**	**May**	**June**
<u>Cash Receipts By Source</u>												
Transfer receipts - operational	5,593,958.33	5,313,458.33	5,313,458.33	5,313,458.33	5,313,458.33	5,313,458.33	5,313,458.33	5,313,458.33	5,313,458.33	5,313,458.33	5,313,458.33	5,313,458.33
Other revenue	42,211.92	42,211.92	42,211.92	42,211.92	42,211.92	42,211.92	42,211.92	42,211.92	42,211.92	42,211.92	42,211.92	42,211.88
Cash Receipts by Source	**5,636,170.25**	**5,355,670.25**	**5,355,670.25**	**5,355,670.25**	**5,355,670.25**	**5,355,670.25**	**5,355,670.25**	**5,355,670.25**	**5,355,670.25**	**5,355,670.25**	**5,355,670.25**	**5,355,670.21**
Total Cash Receipts by Source	**5,636,170.25**	**5,355,670.25**	**5,355,670.25**	**5,355,670.25**	**5,355,670.25**	**5,355,670.25**	**5,355,670.25**	**5,355,670.25**	**5,355,670.25**	**5,355,670.25**	**5,355,670.25**	**5,355,670.21**
<u>Cash Payments by Type</u>												
Employee related costs	3,501,902.72	3,501,902.72	3,501,902.72	3,501,902.72	3,501,902.72	3,501,902.72	3,501,902.72	3,501,902.72	3,501,902.72	3,501,902.72	3,501,902.72	3,501,903.08
Remuneration of councillors	359,745.74	359,745.74	359,745.74	359,745.74	359,745.74	359,745.74	359,745.74	359,745.74	359,745.74	359,745.74	359,745.74	359,745.86
Finance charges	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Bulk purchases - Electricity												-
Bulk purchases - Water & Sewer												-
Other materials	27,500.00	27,500.00	27,500.00	27,500.00	27,500.00	27,500.00	27,500.00	27,500.00	27,500.00	27,500.00	27,500.00	27,500.00
Contracted services	499,666.67	499,666.67	499,666.67	499,666.67	499,666.67	499,666.67	499,666.67	499,666.67	499,666.67	499,666.67	499,666.67	499,666.63

Transfers and grants - other municipalities												-
Transfers and grants - other												-
Other expenditure	916,855.08	916,855.08	916,855.08	916,855.08	916,855.08	916,855.08	916,855.08	916,855.08	916,855.08	916,855.08	916,855.08	916,855.08
Cash Payments by Type	**5,355,670.21**	**5,355,670.21**	**5,355,670.21**	**5,355,670.21**	**5,355,670.21**	**5,355,670.21**	**5,355,670.21**	**5,355,670.21**	**5,355,670.21**	**5,355,670.21**	**5,355,670.21**	**5,355,670.65**
Other Cash Flows/Payments by Type												
Capital assets	280,500.00											-
Total Cash Payments by Type	**5,636,170.21**	**5,355,670.21**	**5,355,670.21**	**5,355,670.21**	**5,355,670.21**	**5,355,670.21**	**5,355,670.21**	**5,355,670.21**	**5,355,670.21**	**5,355,670.21**	**5,355,670.21**	**5,355,670.65**
NET INCREASE/(DECREASE) IN CASH HELD	**0.04**	**0.04**	**0.04**	**0.04**	**0.04**	**0.04**	**0.04**	**0.04**	**0.04**	**0.04**	**0.04**	**(0.44)**
Cash/cash equivalents at the month/year begin:		0.04	0.08	0.12	0.16	0.20	0.24	0.28	0.32	0.36	0.40	0.44
Cash/cash equivalents at the month/year end:	0.04	0.08	0.12	0.16	0.20	0.24	0.28	0.32	0.36	0.40	0.44	0.00

Draft Service Delivery and Budget Implementation Plans (SDBIP)

The draft IDP has been prepared. Please refer to the IDP for more information.

Service Delivery Agreements of Municipal Entities (if applicable)

The municipality does not have any municipal entities therefore this is not applicable.

Annual budgets of municipal entities (D Schedule)

The municipality does not have municipal entities therefore this is not applicable.

Contracts having future budgetary implications

the following are long term contract which have a budgetary implications

- Thepa trading for the telephone system – future financial implications amounts to R194,920.31
- Aganang consulting engineers for rural roads asset management system– future financial implications amounts to R4,690,020.01
- OS Holdings Pty ltd for mSCOA project implementation – future financial implications amounts to R3,605,520
- LQ Technologies for the internet service provision – future financial implications amounts to R625,000

Capital expenditure details

Capital expenditure for the coming financial year is most for the upgrading of the computer used by the municipal offices and the tools of traded for councilors.

DEPARTMENTS / BUDGET ITEMS	Council 18/19	Municipal Manager 18/19	Corporate Services 18/19	Planning & Dev. 18/19	Budget & Treasury 18/19	total budget 2018/19
Furniture and Equipment		13,000	15,000		5,000	33,000
Computers and Laptops	150,000		10,000		49,500	209,500
security systems		30,000			8,000	38,000
TOTAL CAPITAL EXPENDITURE	**150,000**	**43,000**	**25,000**	**-**	**62,500**	**280,500**